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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/888,439	06/26/2001	Mark Landesmann	084561-0108	9934
22428	7590	07/17/2006	EXAMINER	
FOLEY AND LARDNER LLP			LE, KHANH H	
SUITE 500			ART UNIT	
3000 K STREET NW			PAPER NUMBER	
WASHINGTON, DC 20007			3622	

DATE MAILED: 07/17/2006

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/888,439

Filing Date: June 26, 2001

Appellant(s): LANDESMANN, MARK

**MAILED**

JUL 17 2006

**GROUP 3600**

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William T. Ellis (Registration No. 26,874)

For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 04/20/2006 appealing from the Office action mailed 05/20/2005.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The statement of the Related Appeals and Interferences contained in the brief is **incorrect**. Related Application serial Number 09/758, 239 by the same inventor, is presently on appeals before this Board, and will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct. ( **Presently prosecuted are claims 1, 10-13, 47-49, 51-52, 64-65, 68, 94, 100-103, 137-139, 141-142, 154-155, 158, 204, 206, 207- 238, 246, 250, 252-290, 298, 302, 304-339, 347, 351, 353-357 with claims 1, 94, 204, 206, 207, 259, and 308 as independent.**)

**(4) Status of Amendments After Final**

No amendment after final has been filed.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the Brief is correct.

**(8) Evidence Relied Upon**

US 5,855,008	Goldhaber et al.	12-1998	
US 5,515,270	Weinblatt	05-1996	
US 6,484,146	Day et al.	11-2002	
US 6434534	Walker		(Support for Official Notice)

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**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

**DETAILED ACTION**

**Claims Rejections. 35 USC 103**

7. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

8. **Claims 1, 10-13, 47-49, 51-52, 64, 94, 100-103, 137-139, 141-142, 154, and 204, 207-230, 232-238, 246, 250; 259-282, 284-290, 298, 302; 308-331, 333-339, 347, and 351 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhaber, US 5855008, hereinafter Goldhaber, in view of Weinblatt, US 5515270, hereinafter Weinblatt, and further in view of Day, US 6484146, hereinafter Day.**

Goldhaber discloses:

**A consumer driven system ( i.e. consumer owns the profiles : col 14 l. 56-60; col 6 l. 28-35; consumer shares these profiles as desired: col 8 l. 40-57), via trading houses (see col 19-20) , for the benefit of both consumers and advertisers ( col 4 l. 25-31).**

The benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers.

**GOLDHABER further discloses actual purchase histories ( or proofs of purchases, hereinafter, "POP's") are known to be valuable for advertisers: to this end advertisers have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER .'s invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).**

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**GOLDHABER discloses user voluntary submission of profiles ( col. 6 lines 28-65) in exchange of a benefit from plural competing independent providers(col 8 l. 1-18; receipt of targeted information, highly specialized targeted ads ( col 6 l. 28-35; col 8 l. 22-40), implicitly including coupons and discount offers to induce buying (col 3 l. 30-45); payments for viewing ads); complementing the profile by allowing tracking of on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; col 13-20; col 7 l. 31-32) and tracking of other habits (col 6 l. 50-65) ; interactive user editing/ deletion of transaction records from the profile (col 6 l. 50-65); protection of privacy (col 7 l. 62-67;col 14 l. 137 – 39); interacting with presented ads (col. 16 l. 17-20) ; rating of presented ads (col. 13 l. 50-51); matching of consumers to advertisers criteria ( col 14 l. 30-46); consumer profiles stored at their PC or in another database of the on-line system ( col 14 l. 47-54); only information matched above certain threshold set by the consumer is delivered ( col 14 l. 56-62); coupons and discount offers to induce buying (col 3 l. 30-45); internet advantages (col 3 l. 48-55); credit histories as commodities ( col 20 l. 38-55).**

**(emphasis in bold added for the most relevant excerpts)**

Thus as to claims 1, 207-228, 259-280, 308-329, GOLDHABER discloses

a) **receiving** from each of a plurality of buyer entities at least one respective third party purchase record said purchase record comprising data associated with the purchase of products or services wherein the receipt of the third party purchase record occurs on the initiative and with the consent of the buyer entity

(GOLDHABER discloses a consumer driven system

( i.e. consumer owns the profiles : col 14 l. 56-60) with voluntary submission of profiles in exchange of a benefit (col 8 l. 1-18; receipt of targeted information, targeted ads, payments for viewing ads; trading houses (see col 19-20)); complementing the profile by allowing tracking on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; cols. 13-20; col 8 l 40-53: voluntary sharing of consumption content between private home pages and public pages with password access restrictions) ;

As to the “data associated with the purchase of products or services for which the payment was not carried out by the system “, arguably GOLDHABER does not specify such.

**(However GOLDHABER discloses a distributed system with many servers (col 8 l.20-39, especially l. 30-33). therefore the POP’s could be interpreted as being not generated by the matching/incentives delivering system. Further, at col 7 l. 31-32, GOLDHABER discloses automatic tracking of the user previous Internet usage to complement her profile, which at least suggest *any* internet usage/transaction, i.e. not limited to the matching/incentives delivering system.**

Weinblatt, discloses several data collection methods for marketers who desire to collect actual purchase histories. One is via a bar code reading apparatus, (col 1 l. 56+); another is via in- store computer systems (col 2, l. 13+), a third is via a home unit wherein proofs of purchases (POP’s) are scanned by the consumer and the different purchase items categorized and used to trigger rewards (col 4 l. 59+). Weinblatt also discloses that people are interested to directly and voluntarily submit their POP’s in exchange for rewards (col 4 l. 59+).

As discussed above, GOLDHABER discloses , through his system, the benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers. GOLDHABER further discloses “POP’s” are valuable for advertisers who have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER .’s invention includes on-line POP’s (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

It would have been obvious to one of ordinary skill in the art, at invention time, to add WEINBLATT’s teaching of **directly submitting POP’s by scanning into a home unit to GOLDHABER’s system of voluntary submission of profiles including POP’s profiles**, because the consumer would be interested in obtaining highly competitive offers based on

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POP's ( a kind of reward or benefit), as taught by GOLDHABER. Further, it would have been obvious to one of ordinary skill in the art at invention time to incorporate the WEINBLATT's POP's submission method into GOLDHABER's system in view of WEINBLATT's teaching that this is **another and less expensive way to collect POP's which are valuable to marketers** (Weinblatt, col 2 l. 13-36).

b) storing information associated with said data (Goldhaber, col 6 l. 50-65; col 8 l. 40-53; cols. 13-20; Fig.7 and associated text);

c) for a plurality of product or service items offered for sale,

... provided by a different third party advertiser in a plurality of third party advertisers (col 8 l. 1-18; receipt of targeted information, specialized targeted ads (Goldhaber col 6 l. 28-35 col 8 l. 22-40), and

**offering** said buyer entities,

based at least in part on said stored data relating to purchases made by said buyer entity with merchants other than the third party advertiser offering the incentive (see at least col 15 col 19-37: many advertisers; Further, Goldhaber discloses private profiles , including POP's , owned by the consumers , and buyers agents, sellers agents, that do not belong to a central server ( col 8 l. 30-34) seeking to match consumer interests with targeted ads therefore it is clear, in the Goldhaber context, that the POP's in the consumer profiles are from purchases not from the advertisers sending the targeted ads).

C2) at least one from among a plurality of different preferential incentives, (see at least col 6 l. 28-35; col 8 l. 22-40; col 12 l. 31-36; col 14 l. 65-col 15 l. 6 : personal agents going to look for ads or other information the consumer is interested in )

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with each incentive associated with at least one of said items and associated with at least one of said third party advertisers (see at least col 6 l. 28-35; col 8 l. 22-40).

C3) As to “ said benefit not normally and publicly accessible to said buyer entity or other buyer entities in the same geographic region on terms which are at least objectively equivalent” GOLDHABER does not directly disclose such.

However, **Goldhaber discloses specialized targeted advertisements** from each of the plurality of said different third party advertisers,( abstract, col 8 l. 35-40: highly targeted advertising; col. 6l. 28-35; col 8 l. 22-40).

Further **Day discloses presenting customized preferential specialized benefits** based on actual purchasing behavior information (abstract). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers ( col 1 l. 50-55; col 2 l. 13-15; at col 2 l. 12). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal ( col. 1 l. 60-col 2 l. 2).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to add Day’s teachings of very differentiated customized special offers based on actual purchasing behavior information (Day, col 8 l. 1-15) to Goldhaber’s teaching of voluntary supplying of POP’s to provide very differentiated competitive offers and better induce purchasing based on specific monitored behaviors as taught by Day.

C4) Further, Goldhaber discloses specialized targeted advertisements from each of the plurality of said different third party advertisers,(col. 6l. 28-35; col 8 l. 22-40), but does not directly disclose

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“wherein there is at least one different preferential contingent incentive each of said incentives offering at least one benefit in exchange for at least one action associated with a purchase of at least one of said items”

However, coupons are defined in dictionary.com as “A printed form, *as in an advertisement*, to be used .....for obtaining a discount on merchandise” i.e. the benefit is contingent on purchase of the merchandise, thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to add coupons to the delivered specialized targeted ads disclosed by GOLDHABER because coupons entice purchases ( GOLDHABER col 3 l. 30-40 ). Further a coupon usually requires only purchase of the item as the one condition, thus “said benefit do not include material conditions that are different from said at least one action”.

d) facilitating the offering of at least one of said preferential (see at least Goldhaber, Figs. 1, 7, and associated text) incentives to said buyer entity,

d2) without having transferred to said third party advertiser directly or indirectly any full name associated with said buyer entity at the time that said incentive is offered but has not yet been responded to by said buyer entity,(Goldhaber, protection of privacy: col 7 l. 62-67; col 14 l. 137 –39).

d3) GOLDHABER does not specifically discloses with the condition precedent for this step that said system has received from that buyer entity said at least one respective third party purchase record

However, it does disclose specialized targeted ads based on profiles which may include POP's . GOLDHABER also discloses advertisers collecting POP's in order to better target their ads (col 6 l. 36-40). Thus it would have been obvious to add to

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GOLDHABER 's voluntary profile submission a condition precedent that at least one POP be received b/c the profile would become more reliable with such additional historical transaction data for targeting as disclosed at col 6 l. 36-40. Goldhaber also discloses consumers desiring the targeted ads (see "interest agents", col 14 l. 65-col 15 l. 5) therefore it would have been obvious to ask them for such condition which they would be likely to submit to in order for the targeting to be improved. Furthermore, **Weinblatt** discloses a reward conditional on direct submission of the POP's. Thus it would have been obvious to add Weinblatt's teaching of an express condition to GOLDHABER . 's consumers desire for the benefit of highly targeted ads to benefit both consumers and advertisers as taught by GOLDHABER.

As to claim 10 and 47, Day discloses obtaining acceptance information on whether one of the buyer entities accepted the incentive; and storing the acceptance information to the database (monitoring of redemption of offers and modifying offers based on that ( C7 l.66- c8 l 30) . It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber is to provide better incentives to induce sales in case the consumer refuses the initial offers as taught by Day at col. 8 l. 6+.

Claim 11. Day further discloses obtaining additional information on whether the buyer entity made a follow-up purchase or a co-purchase contemporaneous with or after accepting the incentive and inputting the additional information to be stored. (monitoring of redemption of offers, and updating of profiles (Col. 14 l. 52-64, Fig 12-14; claims 15, 22). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber is to determine the effect of the special offers on consumer buying behaviors and adjust offers accordingly as taught by Day.

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Claim 12. Weinblatt discloses said entering step further comprises the categorization of purchases listed from a plurality of independent third parties in the purchase records based on a set of categories (C4 l. 59-67, col 13 to col 14 l. 20) and the reward being based on purchases in a certain category. Day also implicitly discloses categorization of purchases based on the POP's for targeting purposes (C4 l. 18-31). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add these features to GOLDHABER in order to further GOLDHABER's content/ads targeting scheme.

Claim 13. Day discloses calculating a separate score (targeting parameter) for a buyer entity in each of a plurality of categories (C4 l. 18-31) based on the amount purchased by the buyer entity in the respective category (C4 l. 17-31, "quantity"). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add these features to GOLDHABER in order to further GOLDHABER's content/ads targeting scheme.

Claim 47. Day discloses receiving information on whether one of the buyer entities accepted the incentive (monitoring of redemption of offers and modifying offers based on that (C7 l.66- c8 l 30);

as to recalculating at least one of the scores for one of the buyer entities based on the buyer entity accepting the incentive, Day discloses at C4 l. 18-31, a calculated score based on buying in certain categories, (see claim 13). Day's disclosure monitoring of redemption of offers and modifying offers based on that new data (C7 l.66-c8 l. 30) is interpreted as the earlier score (based e.g. on category) being recalculated so that offers may be modified based on the new data. It would have been obvious to one of ordinary skill in the art at the time the invention was made to add these features to GOLDHABER in order to further GOLDHABER's content/ads targeting scheme.

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Claim 48. Day discloses determining if the recalculated score qualifies said one of the buyer entities for an ongoing incentive (monitoring of redemption of offers+ modifying offers based on that , C7 l.66- c8 l 30). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add these features to GOLDHABER in order to further GOLDHABER's content/ads targeting scheme.

Claim 49. Day implicitly discloses recalculating the incentive determined in said incentive providing step by applying said recalculated score of said one of the buyer entities to the incentive function or algorithm (monitoring of redemption of offers+ modifying offers based on that : C7 l.66- c8 l 30). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add these features to GOLDHABER in order to further GOLDHABER's content/ads targeting scheme.

Claim 51 . GOLDHABER discloses the plurality of incentives are provided across a plurality of distribution channels (C21 l. 1-19).

Claim 52. GOLDHABER discloses receiving information that one of the buyer entities visited a predetermined web site (complementing the profile by allowing tracking on-line behavior including on-line transactions and viewing habits : col 6 l. 50-65; C 7 l. 28-33; col 13-20). As to recalculating one of the scores of said one of the buyer entities to increase the score based on this visit, a score is interpreted as a targeting parameter. Since GOLDHABER teaches targeting based on updated profiles, based on in part on website visited, GOLDHABER is interpreted as implicitly teaching recalculating a score based on the updated data to improve targeting.

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Claim 64. GOLDHABER discloses submitting a request to one of said buyer entities to provide a rating of a product or service only if the purchase record of the buyer entity shows a purchase of the product or service to be rated (rating of presented ads : col. 13 l. 50-51)

Apparatus Claims 94, 100-103, 137-139, 141-142, 154 which parallel method claims 1, 10-13, 47-49, 51-52, 64 are rejected on the same basis.

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Claim 204 parallels claim 1 in program product format and is similarly rejected.

As to claims 229, 255, 281, Day discloses

a incentive function (see at least col.4 lines 18-31, use of “targeting parameters” to derive an incentive implies use of an certain incentive function or relationship to link the parameter to the incentive) associated with each of a plurality of advertisers;

a budget limit for each advertiser ( see at least col. 14 lines 52-56; col. 6 lines 57-60;

receiving new POPs’ after the incentive function and the budget limit are determined (at col.7 line 66- col. 8 line 37: Day’s disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as offers may be modified based on the new data.)

determining and distributing a new incentive offer based at least in part on the function, the budget limit and the new POP’s (at col.7 line 66- col. 8 line 37: Day’s disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as offers may be modified based on the new data.; for distributions, see Figure 1, item 24 and associated text; col. 4 line 66+);

halting the distribution when the budget-related limit is reached (see at least col. 14 lines 52-56; col. 6 lines 57-60 “maximum limit”; when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changed.)

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As to the following claims, limitations that are common to the ones discussed above are rejected on the same basis. The motivations to combine the 3 above-cited references are at least the same as discussed above. Further:

As to claims 230, 282, 331, Day discloses a user interface whereby advertisers get access to the database of potential customers and their POPs', whereby the advertisers input target parameters and incentive functions (audience, incentive-definition information and parameters) and based on which the offers determining is made (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60),

As to claims 232-233, 284-285, 333-334, Day discloses monitoring follow-up purchases made after the offer of an incentive, then tender of further incentives based thereon (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60),

As to claims 234, 286, 335, Official Notice is taken that it is well known to present in concrete terms the value of any offer to convince the offeree of such value. Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to calculate a measure indicative of the amount of benefits to the buyer and present it and add such to the base references for the above-discussed advantage.

As to claims 235, 287, 336, Official Notice is taken that presenting offers to users of wireless devices based on their location to reach potential customers proximal to the businesses is known. Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to such feature to the base references for the above-discussed advantage.

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As to claims 236, 288,337, WEINBLATT discloses manual input by the user of POP's and offering incentives based thereon .

As to claims 237-238, 289-290, 338, **GOLDHABER** discloses receiving browsing behavior and demographic information and deciding thereupon.

As to claims 246, 298, 347, Day discloses differential targeted offers meaning each offer has a different value per customer. Official Notice is taken that it is well known to prices of incentives offers have to be calculated to apprise businesses of their promotions costs. Thus, as offers are based on information stored on the user, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add calculating a price for such differentiated offers, (which would be also based on information stored on the user), to the base references, for the above-discussed advantage.

As to claim 250, 302, 351, **GOLDHABER** discloses sending information associated with the user to third party after receipt of authorization from the buyer.

**9. Claims 68 and 158 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhaber in view of Weinblatt and Day and further in view of Dedrich, US 5717923, hereinafter Dedrich.**

As to claim 68, calculating a charge for providing the incentive based on both the size of the group of buyer entities resulting from the search and the scores of the buyer entities, **GOLDHABER** discloses at C5 l. 21-30, demographic routing; at C8 l. 59-61 charging advertisers; at col 14 l. 30-46:matching of consumers to advertiser's criteria.

Dedrich discloses calculating a fee based on the scores of the buyers who were provided the incentive (col 5 l. 20-30, "consumer scale"; Fig 7b, especially item 218, and associated text.).

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Thus claim 68 re. charging for providing the incentive to the targeted group is rejected on this basis.

Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the teachings of Dedrich to Goldhaber in order to provide a rational basis for charging advertisers.

Apparatus Claim 158, which parallels method claim 68 is rejected on the same basis.

**10. Claims 206, 231, 252-254, 256-258, 304-306, 308-310, 353-355, 357-359 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhaber in view of Weinblatt and Day and further in view of admitted art.**

As to claims 206, 231, 252-254, 256-258, 304-306, 308-310, 353-355, 357-359,

The features of these claims common to the claims addressed above are rejected on the same basis.

Further, technology for customers to aggregate their POP's is admittedly known as an efficient way of gathering in one place one's transaction data (specifications paragraph [0152]: "Technology for such online retrieval and scanning of data from various accounts already exists"). Expressing consent by giving out passwords and usernames for a website to use one's account information is taught by GOLDHABER (complementing the profile by allowing tracking on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; cols. 13-20; col 8 l. 40-53: sharing of consumption content between private home pages and public pages with password access or digital ID verification restrictions). Thus one would have known to add this technology and the corresponding authorizing features as another efficient way of

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submitting purchase histories because of the admitted efficiency of this method of gathering data.

Further, as to claims 252,304, 353, as to obtaining permission to obtain supplemental data about the user from a third party broker, receiving such (see above) , and as to the incentive offered is on improved terms based in part on the additional information, Day discloses monitoring responses to offers and modifying the next offers accordingly.

Also as to claims 253, 305, 354, Official Notice is taken that it is well-known to add purchases over a period of time and reward if the purchases past a threshold (see e.g. Walker, US 6434534, discussed many times earlier in the present application as in related applications as to these particular features) . Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to add such feature to the base references to encourage increased purchases as taught by the prior art such as Walker.

**The following response to remarks on page 2 of the last Office Action is also an integral part of the grounds of rejection.**

**“Response to arguments**

**6.Affidavits:**

The Examiner has given all due consideration to the affidavits submitted in the instant case, but regrettably they remain unpersuasive to rebut the prima facie case of obviousness.

MPEP 716.01(a) requires objective evidence and proof of secondary considerations facts for the evidence to be of probative value. The affidavits do not provide such objective evidence or proof of secondary considerations facts.

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Per MPEP 716.01(b) a nexus is required, between the merits of the claims and the evidence of secondary considerations. Here, the full scope or breadth of the claim language is not covered by the affidavits. The Affidavits seem to track the problem solved and arguably a preferred embodiment instead of the broad claim language.

MPEP 716.01(c) requires the evidence of secondary considerations facts to be of probative value. The affidavits do not provide such objective proof.

As to the submitted expert's opinion evidence (e.g. from Mr. Seth Godin ) praising the merits of the claimed invention, they are found to have little value due to a lack of factual support. For example, what Mr. Godin contemplates is not the legal standard for nonobviousness (S.Godin's affidavit, p. 4, item c). Nor is the "average marketer" as described by Mr. Godin conclusively versed in computer and marketing arts as argued (S. Godin's affidavit, p. 4, item d) therefore Mr. Godin's opinion as to what that average marketer might or might not come up with in view of the cited art is unpersuasive.

MPEP 716.01(d) requires consideration in light of the full record. Regrettably, the submitted affidavits do not overcome the facts of the prima facie case.

#### **7. Other arguments:**

As to the arguments on pages 50-51 and 64 that GOLDHABER does not disclose third party POP's the Examiner notes that Goldhaber's "transaction records" , "historical transaction entries evidencing her purchase.." that a consumer can delete or add (col. 6 lines 50-60) are exactly those. Nothing in GOLDHABER negates the submission of third party POP's, contrary to argument. The Goldhaber's processing of a consumer profile derived from those submitted third party POP's has nothing contradictory to, or unnecessary because of, their submission, as Applicants seem to argue.

As to the argument that Goldhaber's profile preclude POP's and teaches away at page 64, full 2<sup>nd</sup> paragraph, the following shows the contrary (emphasis added):

“ Another aspect of the present invention provides a two step technique for the development of an accurate consumer profile. First, a consumer is asked to pro-actively describe him or herself. This forms a "base profile." Then the consumer's actions can be monitored in this example such that a representation of the consumer's actions are "overlaid" upon the self description. This combination of self description combined with monitored actions yields highly accurate and granular consumer profile which can be used to predict consumer interests and behaviors. The system also can generate a base profile from historical data as well as self description.”

**As to the argument that Goldhaber's does not disclose third party POP's because they are generated by “the system”, as stated in a previous Office Action,**

**“GOLDHABER discloses a distributed system with many servers (col 8 l.20-39, especially l. 30-33). therefore the POP's could be interpreted as being not generated by the matching/incentives delivering system. Further, at col 7 l. 31-32, GOLDHABER discloses automatic tracking of the user previous Internet usage to complement her profile, which at least suggest *any* internet usage/transaction, i.e. not limited to the matching/incentives delivering system.”**

**The Examiner notes that the main hurdle in claim 1 still resides in the definition of “the system”. For example, the step of “receiving ... one POP... for which the payment was not carried out by the system” reads on GOLDHABER. The GOLDHABER system comprises many systems: the ad matching system matching advertisers and consumers and at least a financial system that tracks on-line purchases (POP's) from many merchants and therefrom compiles the consumer profile database. Such database is used by the “ad matching system”. Thus the Goldhaber's “ad matching system” receives POP's that were derived from another (financial) system and not from itself.**

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As to the arguments at page 64, full 3rd paragraph, the Examiner is at a loss why Applicants argue the Specifications disclosures while the claims language is what is at issue and what is argued is not in the claims.

As to the argument at page 65, 1st full paragraph regarding Weinblatt and how the issuer of the POPs in Weinblatt has to be cooperate, it is noted that the Weinblatt teachings relied upon by the Examiner, are that WEINBLATT discloses several data collection methods for marketers who desire to collect actual purchase histories. One is via a bar code reading apparatus, (col 1 l. 56+); another is via in- store computer systems (col 2, l. 13+), a third is via a home unit wherein proofs of purchases (POP's) are scanned by the consumer. Weinblatt also discloses that people are interested to directly and voluntarily submit their POP's in exchange for rewards (col 4 l. 59+).

The Examiner stated earlier at page 8 Office Action dated 12/11/2003:

“As discussed above, GOLDHABER discloses, through his system, the benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers. GOLDHABER further discloses “POP's” are valuable for advertisers who have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER .’s invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

It would have been obvious to one of ordinary skill in the art, at invention time, to add WEINBLATT's teaching of directly submitting POP's by scanning into a home unit to GOLDHABER's system of voluntary submission of profiles including POP's profiles, because the consumer would be interested in obtaining highly competitive offers based on POP's ( a kind of reward or benefit), as taught by GOLDHABER. Further, it would have been obvious to one of ordinary skill in the art at invention time to incorporate the WEINBLATT's POP's submission method into GOLDHABER's system in view of WEINBLATT's teaching that this is another

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and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36)."

Thus the machinery used in WEINBLATT to produce the POPs' to be scanned by the user is irrelevant. Applicants are well-aware of the ubiquity of scanners. The idea of scanning POP's as an active act of the consumer for rewards, in Weinblatt is what the Examiner relied on in the previous rejection. Once a POP is obtained from any merchant, with scanners readily available, the consumer can voluntarily submit them to a system as in Goldhaber for the motivations as stated above. No active cooperation from the merchants issuing the POP's is needed as argued.

As to the argument at page 65 full 2<sup>nd</sup> paragraph, regarding Day, it is noted Day is relied upon for Day's teachings of very differentiated customized special offers based on actual purchasing behavior information (Day, col 8 l. 1-15). Goldhaber already teaches voluntary supplying of POP's so Day wasn't needed for such teaching, and thus the potential competition of merchants in Day, contrary to argument, is irrelevant in the rejections.

**The previous rejections are thus maintained.** The new claims are addressed below.

7. As noted earlier, the combination of Goldhaber/Weinblatt/Day disclose all of the following argued features:

1. a transfer of transaction records or information derived from transaction records (herein after the "Proofs of purchases" or POP's) into the system from outside the system (Element #1.):
2. the information comes directly from the buyer entity (element #2)
3. the information comprises "third party purchase records" ("element #3")

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4. the incentive that is being offered promotes the product of a third party with a distinct business activity. ("element #4"): the "merchants" in GOLDHABER/Day are different from the POP merchants.

5. the buyer entity, which is the provider of the above mentioned transaction records, must be provided with at least one from a plurality of necessarily "contingent preferential" incentives... ("element #5"): see at least Day's abstract.

6. the incentive for the advertiser's product or service is offered to the buyer entity, "without transferring to said third party advertiser directly or indirectly any full name associated with said buyer entity at the time that the incentive is offered but has not yet been responded to by said buyer entity." ("element #6"): Goldhaber's privacy concerns. "

#### **(10) RESPONSE TO (APPEALS) ARGUMENTS**

For the sake of brevity, responses to arguments will use, without repeating, to the extent possible, prior art citations and explanations as set forth in the rejections above.

##### **A. As to independent claims 1, 94, 204, 207,259 and 308, arguments as to Goldhaber:**

##### **A1. Argument: Goldhaber does not disclose receiving third party purchase records or proofs of purchases (POP's).**

At pages 15, 19-21, and 33 (as to claims 207,259 and 308) of the Brief, it is essentially argued, Goldhaber only discloses targeting ads based on consumer profiles obtained through questionnaires and through tracking the consumer's use (which comprises prior purchase

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transactions) of the Goldhaber's own electronic system, thus Goldhaber does not disclose third party purchase records or proofs of purchases (POP's).

Applicants argue that “the sales records used, if any, are the system's own records.” (emphasis added). The consumer does not have the option to submit other records, and can only delete selected or all of the Goldhaber system sales records.” (See Brief, page 15, last full paragraph).

In response, the Examiner asserts the claim step of “receiving ... one POP... for which the payment was not carried out by the system” is disclosed by GOLDHABER. In other words Goldhaber does disclose third party proof of purchases received from consumers, (albeit indirectly from the consumers), via monitoring of consumer on-line purchases (see e.g. Goldhaber, col. 6 lines 50-65; columns 13-20; col 7 l. 31-32), into another part of the Goldhaber system which takes care of matching targeted incentives and other information to consumer profiles which are partly made up of the received purchase records (see e.g. Goldhaber, col 6 l. 28-35; col 8 l. 22-40),. Also see (see Examiner's Answer, pages 3-4 above, for more citations matching the claimed inventions ).

*As during prosecution, the Examiner notes that the main hurdle in the independent claims resides in the definition of “the system” (see Examiner's Answer, pages 18-19 above).*

In response, at pages 15-16 of the Brief, Appellants introduce a definition for “the system” and two examples to illustrate the inventive concepts. However, the definition and the examples, introduced for the first time on appeals, is new matter which cannot be given weight. Unless Appellants can point to a specific definition of “system” in the original Specifications, the broadest interpretation rule applies.

**Scope of “the system” and Interpretation of the phrase:**

**“receiving ... one [POP]... for which the payment was not carried out by the system” and**

Since the scope of “the system” is unclear, it is also unclear what ***“one POP... for which the payment was not carried out by the system” means*** . A search of the Specifications does not reveal what that phrase means.

To interpret the scope of “the system”, independent system claim 94 is revealing.

Claim 94 is a system claim stating that the system comprises:

- a electronic storage,
- a set of processors using such storage and having the following logic elements
- a first component for receiving... POPs
- a second component for storing ...data associated with the POP's
- a third component for ...making a decision associated with the offering of ..one ..preferential incentive
- a fourth component for offering the ... incentives

**Since GOLDHABER discloses a distributed system with many servers (col 8 l.20-39, especially l. 30-33) , Goldhaber is interpreted as comprising several different systems.**

**The Examiner asserts that a part of the Goldhaber system, which heretofore shall be called the Goldhaber “ads or incentives/ profile matching system” matches the system elements of system claim 94 above. (Other independent claims parallel the claim language of claim 94 thus are similarly disclosed by Goldhaber).**

It is thus interpreted that the system of Goldhaber (see Figure 1), which consists of several buyers interfaces 104, a network such as the internet, several advertising/incentives broker (or trading house) servers 106, and the consumer profiles stored at their PC or in another database of the on-line system ( col 14 l. 47-54; also see discussion at col. 9 lines 32-67) would

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constitute the system of claim 94 (and that of the other independent claims as well) . This system is the Goldhaber “ads or incentives/ profile matching system”, or “Goldhaber’s matching system”, as stated above.

**Apart** from the “ads or incentives/ profile matching system” above, Goldhaber also discloses at least a financial system that tracks on-line purchases (POP’s) from many on-line merchants (*at col 7 l. 31-32, GOLDHABER discloses automatic tracking of the user previous Internet usage to complement her profile, which suggests any internet usage/transaction, i.e. , not part of the ads or incentives/ profile matching system.*)

*(Also note: In GOLDHABER , tracking/collecting of on-line behavior , including on-line purchase transactions records (POP’s) (see at least col 6 l. 50-65: “purchase of certain products” ; “ delete ...transaction records” ; “transaction history” ) is done first , then the buyer actively restrict submission of certain data only. )*

These POP’s are interpreted as being **fed into** the Goldhaber’s “ads or incentives/ profile matching system” to form the consumer profile database . **In other words, in Goldhaber, the online purchases records are third party purchase records , not generated by Goldhaber “ads or incentives/ profile matching system”, contrary to argument.**

**Thus, as a whole reference , Goldhaber, consisting of both “the ads or incentives/ profile matching system” and the financial online POP’s tracking and collecting system, clearly discloses**

***“receiving at least one POP... for which the payment was not carried out by the (“ads or incentives/ profile matching “ ) system”, contrary to argument.***

Appellants have not made any argument why such interpretation of the Goldhaber reference to match the claim elements is not permissible.

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Thus (contrary to argument, at page 15, last 2 paragraphs, of the Brief), GOLDHABER does disclose receiving third party purchase records ( see excerpts above) , at least indirectly from the buyers, which is allowed by the claim language of

“receiving information from each of a plurality of buyer entities” coupled with the open-ended term “comprising” in the preamble which allows receiving via intermediaries.

Further, patentability shouldn't be hinged on who the entity is that is doing the transaction.

Initially, note Ex parte Pfeiffer, 135 USPQ 31 (BdPatApp&Int 1961): *"As to the rejection of the claims on the prior art references, we do not agree with the appellant that such structural limitations as are not disclosed by the references should be given patentable weight. This argument is applicable to claims drawn to structure and not claims drawn to a method. To be entitled to such weight in method claims, the recited structural limitations therein must affect the method in a manipulative sense and not to amount to the mere claiming of a use of a particular structure, which, in our opinion, is the case here."*

In this case, there does not seem to be any impact on the manipulative steps of the method because of the "type" of company doing the actions. Thus, the name, legal status or ownership of the entity performing the action (here, which processes the purchases payment transactions) does not seem to functionally change the action required by the steps ( i.e. of generation of POP's, receiving the POP's into a database , storing data, making decision about the incentives offering, and offering the incentives) . **In other words, even if the Goldhaber generates POP's within its system as argued, this does not change the fact that the Goldhaber system discloses all the method steps as claimed.**

**Further, making separable 2 parts where the prior art had taught both parts has been held to be obvious.**

For example see *In re Dulberg*, 289 F.2d 522, 523, 129 USPQ 348, 349 (CCPA 1961) (*The claimed structure, a lipstick holder with a removable cap, was fully met by the prior art except that in the prior art the cap is "press fitted" and therefore not manually removable. The court held that "if it were considered desirable for any reason to obtain access to the end of [the prior art's] holder to which the cap is applied, it would be obvious to make the cap removable for that purpose."*).

Here, Goldhaber teaches payments for online purchases made by part of its system (POP's). Then Goldhaber teaches feeding these on-line POP's into the customer database so that targeted incentives be matched to the particular consumers associated with these POP's. **Applicants essentially argue that since both parts of Goldhaber are found in the same reference, Goldhaber does not disclose Appellants invention.**

However, if we were to draw a smaller box around the Goldhaber part consisting of components for incentives-matching-to-POP profiles only, we would arrive at Appellants' invention.

As reasoned in *In re Dulberg*, if it were considered desirable for any reason to separate the parts, it would have been obvious to separate the Goldhaber parts, for that purpose, especially when no technical hurdles are overcome, thus the separation of the Goldhaber's parts to arrive at Appellants invention is obvious.

**Also, rearrangement of parts have been held to be unpatentable.** See *In re Japikse*, 181 F.2d 1019, 86 USPQ 70 (CCPA 1950) (Claims to a hydraulic power press which read on the prior art except with regard to the position of the starting switch were held unpatentable because shifting the position of the starting switch would not have modified the operation of the device.). Here rearranging the POP's to be outside of the Goldhaber system, as argued, (and which is what the claimed invention essentially does) does not modify the operation of the Goldhaber "incentive-matching-to POP profiles "system (of receiving the POP's, storing data, making

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decision about the incentives offering, and offering the incentives) which discloses all of the claimed steps.

**A2. Goldhaber and the 4<sup>th</sup> step, the “offering ... incentives” step.**

First Appellant seem to argue that Goldhaber does not disclose a decision on whether to offer the preferential incentive based on "data relating to a purchase made by said buyer entity with a merchant other than the third party advertiser that is associated with the incentive (see pages 16, 1<sup>st</sup> full paragraph of the Brief)

Then, at page 25, 1<sup>st</sup> full paragraph of the Brief, Appellants seem to agree Goldhaber discloses the offering step but argues Goldhaber does not disclose offering incentives with a condition precedent that POP's be received.

In response, first, it is noted that” *with the condition precedent for this step that the system has received ...at least a third party purchase record*” ... “in the phrase “*offering... with the condition precedent for this step that the system has received.. ...at least a third party purchase record*” does not amount to a positively recited step of checking that the condition precedent has been satisfied. That is, no step is positively claimed that the system checks that the POP has been received before the incentive is received. Thus this whole phrase of “condition precedent” may not carry patentable weight because it does not actually and positively impact the recited step of “offering” or “facilitating the offering” in the independent claims.

Second, it is agreed Goldhaber does not disclose the condition precedent but the following adequate disclosures in Goldhaber and in Weinblatt and motivation to combine have been offered during prosecution (see Examiner's Answer, pages 8-9 above):

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*“d3) GOLDHABER does not specifically disclose with the condition precedent for this step that said system has received from that buyer entity said at least one respective third party purchase record*

*However, it does disclose specialized targeted ads based on profiles which may include POP's. GOLDHABER also discloses advertisers collecting POP's in order to better target their ads (col 6 l. 36-40). Thus it would have been obvious to add to GOLDHABER's voluntary profile submission a condition precedent that at least one POP be received b/c the profile would become more reliable with such additional historical transaction data for targeting as disclosed at col 6 l. 36-40. Goldhaber also discloses consumers desiring the targeted ads (see “interest agents”, col 14 l. 65-col 15 l. 5) therefore it would have been obvious to ask them for such condition which they would be likely to submit to in order for the targeting to be improved. Furthermore, Weinblatt discloses a reward conditional on direct submission of the POP's. Thus it would have been obvious to add Weinblatt's teaching of an express condition to GOLDHABER's consumers desire for the benefit of highly targeted ads to benefit both consumers and advertisers as taught by GOLDHABER.*

Further, in connection with the offering step and to answer Appellants' later challenge to Day as not disclosing advertised products which are not distributed by the system (See Brief, page 26, 5<sup>th</sup> full paragraph), the Examiner asserts that Goldhaber discloses this limitation of the incentives offering step:

items “wherein said manufacture, marketing, distribution,.. payment or provision of [which] are not carried out by the system in the ordinary course of business”.

and that Day is not relied upon to disclose this limitation. Therefore even if in Day, the advertised products are all distributed by the system as argued, it's irrelevant to the

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**rejections since Goldhaber already discloses advertiser independence from the merchants that supply the POP's , which is the heart of Appellants' invention.**

**Interpretation of the phrase**

**items "wherein said manufacture, marketing, distribution,... payment or provision of [which] are not carried out by the system in the ordinary course of business".**

Again the scope of "the system" is at issue here.

In GOLDHABER , the many advertisers who have access to these profiles, directly or indirectly, via the Internet, i.e. via "*hundreds of competing, independent and widely distributed sources*" (see col. 4 lines 1-10) are interpreted as not being part of this system "incentives/ profile matching system".

In particular the "*small mom-and-pop businesses and specialized low-tech cottage industries--for example, someone who repairs antique violins--*" remotely connected to such system and who may "*reach customers for the first time*" through "*[h]ighly targeted, localized, low-volume advertising*" ( GOLDHABER, col. 6 lines 20-39) are not part of this system.

Thus their "*localized, low-volume advertising*" is clearly to promote items "*...the manufacture, marketing, distribution, and payment and providing of [which] are not carried out by the (GOLDHABER incentives/ profile matching) system in the ordinary course of business*".

It is so first, because, it cannot be said that the GOLDHABER matching system markets any particular item in the "ordinary course of business" since it markets myriads of

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items thus no item would be an item marketed in the “ordinary course of business”. Second, because, rare items( e.g. *repairs services for antique violins that ...“...eventually” only ... can reach the consumer “for the first time” via the work of“...local entrepreneurs who would ~~set~~ themselves up as independent agents to service their community and local businesses ...”*) (see GOLDHABER, col. 6 lines 20-39) are by their very rarity not marketed in the “ordinary course of business”.

Thus at least ads/ incentives from GOLDHABER’s “small mom-and-pop businesses” clearly are for items not “marketed, distributed, and paid for and provided by the system in the ordinary course of business”.

**In summary, Goldhaber does disclose offers of highly customized incentives based on "data relating to a purchase made by said buyer entity with a merchant other than the third party advertiser that is associated with the incentive, while Day teaches “preferential incentives”.**

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**A3. Next, at pages 25 of the Brief, it is argued, Goldhaber does not specifically disclose preferential incentives. It is agreed, Day is relied upon to provide the limitation of customized preferential specialized benefits based on actual purchasing behavior information even though Goldhaber also discloses specialized targeted advertisements and incentives from different third party advertisers based on actual (online) purchasing behavior information as well.**

During prosecution (see Examiner’s Answer, page 7 above) , it was stated :

*“ C3) As to “said benefit not normally and publicly accessible to said buyer entity or other buyer entities in the same geographic region on terms which are at least objectively equivalent” GOLDHABER does not directly disclose such.*

*However, Goldhaber discloses specialized targeted advertisements from each of the plurality of said different third party advertisers, (abstract, col 8 l. 35-40: highly targeted advertising; col. 6l. 28-35; col 8 l. 22-40).*

*Further Day discloses presenting customized preferential specialized benefits based on actual purchasing behavior information (abstract : “special offer”). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers ( col 1 l. 50-55; col 2 l. 13-15; at col 2 l. 12). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal (col. 1 l. 60-col 2 l. 2).*

*It would have been obvious to one of ordinary skill in the art at the time the invention was made to add Day’s teachings of very differentiated customized special offers based on actual purchasing behavior information (Day, col 8 l. 1-15; col.3 line 65 to col. 4 line 38) to Goldhaber’s teaching of voluntary supplying of POP’s to provide very differentiated competitive offers (col. 1 l. 60-col 2 l. 2) and better induce purchasing based on specific monitored behaviors as taught by Day ( col 1 l. 50-55; col 2 l. 13-15; at col 2 l. 12).*

**B. Challenge to the combination of Day and Goldhaber:**

*The above combination of Day to Goldhaber and Weinblatt is next challenged.*

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At page 16, 2<sup>nd</sup> paragraph of the Brief, it is argued Day does not disclose allotting incentives based on third party POP's since it's an in-store system where POP's are already collected. Then at page 28 of the Brief, it is similarly argued, Day's function and structure prevents it properly to be added to Goldhaber and Weinblatt. It is argued, few sane competitors, in an in-store system such as Day, would allow the poaching of its own customers by competitors. The same argument is repeated again on page 29, 1<sup>st</sup> full paragraph.

In response, it is noted, as done earlier during prosecution (see Examiner's Answer, pages 20, full 2<sup>nd</sup> paragraph, above) that **Day is relied upon, only for Day's teachings of very differentiated customized special offers based on actual purchasing behavior information (Day, col 8 l. 1-15).** Goldhaber already teaches voluntary supplying of POP's in a distributed system where many competitors compete for customers, who are known based on their profiles which include actual POP's (albeit online ones) so Day wasn't needed for teaching voluntary submission of POPs by customers .

Thus the potential competition of merchants in Day, contrary to argument, is irrelevant in the rejections. As stated above competition is already disclosed in Goldhaber.

**Further, Day teaches many features, not just matching preferential incentives based on in-store POP's as argued.** In particular, as stated above,

*"Day teaches the desirability of knowing who buys from competitors so to provide competitive offers ( col 1 l. 50-55; col 2 l. 13-15). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal (col. 1 l. 60-col 2 l. 2)"*

Thus contrary to argument nothing in Day restricts its preferential special offers not to be applied in a competitive environment such as Goldhaber's since Day itself teaches competitive offers ( col 1 l. 50-55; col 2 l. 13-15) and not in an in-store only system (see Day, col. 1 lines 60-65: competitive offers made to mail order purchasers). Further Day also

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discloses that, even in an in-store system, POP's collected in-store can be used to promote products of competitors ( col. 2 lines 12-15 ), thus the argument that "few sane competitors, in an in-store system such as Day, would allow the poaching of its own customers by competitors" is unconvincing.

**Thus the combination of Day to Goldhaber is totally appropriate** because they deal both with advertising and incentives and because, contrary to argument, nothing in Day negates application of the preferential incentives taught by Day to the competitive system of Goldhaber since Day itself teaches providing competitive offers .

As stated earlier, Day is only relied on for the teaching of highly differentiated incentives. Since Goldhaber already teaches competition of competitors for the attention of customers by providing highly targeted ads and incentives, based on purchase histories, Day's teaching of highly differentiated incentives, also based on purchase histories, only add an further level of enhancement to Goldhaber's highly targeted incentives, for the purpose of eliciting more interest and consequently more sales, an obvious commercial goal.

Day and Goldhaber are not incompatible just because one involves internet transactions and the other in-store transactions (see argument at page 28 of the Brief). As stated above they are in the same advertising art, and Day in particular teaches incentives applied to in-store as well as other purchasing venues such as mail order (see Day, col. 1 lines 60-65: competitive offers made to mail order purchasers ) . Internet sales being just another sales venue, it would have been thus obvious the incentives teachings of Day can be applied in the Goldhaber internet environment.

The further argument that Goldhaber involves questionnaires is unpersuasive as Goldhaber clearly discloses purchase histories i.e. POP's and highly targeted ads/ incentives offered based thereon.

**C. Arguments as to Day:**

C1. As to the argument that Day does not disclose a **decision on whether to offer the preferential incentive** based on "*data relating to a purchase made by said buyer entity with a merchant other than the third party advertiser that is associated with the incentive*", as stated above, Day is only relied upon to show "**preferential incentives**" since Goldhaber had disclosed the rest of the limitation (see Examiner's Answer, page 7 above).

C2. Further, at pages 16, 3<sup>rd</sup> full paragraph, and again at page 26, 1<sup>st</sup> full paragraph, it is argued, **Day does not disclose "preferential incentives"** being decided upon or offered as defined in the claim language. However, as stated during prosecution, Appellants are unconvincing why the specialized offers of Day are different from the claimed preferential offers.

Day's special benefit targeted to a particular customer based on that customer particular profile (purchasing history and otherwise) is "a benefit which is not normally and publicly accessible to the other buyer entities in the same geographic region" since only that customer and none other receives that particular benefit. Contrary to argument, Day does not suggest 2 buyers with the same buying profile would get the same benefit since other factors are taken into account as well. For example Day discloses that the offer increases based on the reaction of the buyer to the initial offer (col. 7 line 66 to col. 8 line 15). Since more likely than not each buyer would react differently, therefore at least the follow-up offers would be "a benefit which is not normally and publicly accessible to the other buyer entities in the same geographic region", objectively considered.

Day's targeted special benefits are also clearly preferential (meaning discriminatory or partial to or advantageous) since one buyer would get them while others are deprived thereof.

As to Appellants' arguments at page 25, attempting to define narrowly "preferential incentives" with some examples from the specifications, it is noted the broadest claim interpretation rule applies and there is no specific definition of "preferential incentives" in the Specifications. Examples in the specifications are not specific definitions.

C3. Then, at pages 16 and again at pages 26-27, Appellants also argue Day does not suggest or recommend that his system be used to acquire the quality, quantity and depth of knowledge that can only be obtained by opening the system to the buyer-driven submission of a potentially wide variety of third party purchase records relating to purchases made with many online and offline retail outlets.

However, even if Day does not have the same purpose as the present invention, as argued, ( e.g. to encourage submission of POP's" relating to purchases made with many online and offline retail outlets"... " to acquire the quality, quantity and depth of knowledge") , because arguably its system already collects such POP's, nonetheless its offers are preferential ones. Appellants have not cited any legal requirement requiring a prior art reference to disclose certain facts for the same purpose as contemplated by Appellants. (As stated above Goldhaber already discloses third party POP's).

Even the "[l]aw of obviousness does not require that references be combined for reasons contemplated by inventor, but only looks to whether some motivation or suggestion to combine references is provided by prior art taken as whole. "In re Beattie, 24 USPQ2d 1040 (CA FC 1992). Such motivation is already discussed above as totally appropriate.

It is also argued, Day's system does not enable a retailer to provide a "preferential incentive" to consumers which can be distinguished from a run-of-the mill targeted discount available through other venues.

However, even if Day's preferential offers are "run-of-the

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mill targeted discounts” as argued, nonetheless, Day discloses exactly the claimed preferential offers.

At page 27, Appellant also argue Day does not disclose privacy and condition precedent but these limitations are already disclosed by Goldhaber , (Goldhaber, protection of privacy: col 7 l. 62-67; col 14 l. 137 –39). or Goldhaber and Official Notice or Weinblatt (see Examiner’s Answer, pages 8-9 above).

***D. Arguments as to Weinblatt ( see pages 21-22 of the Brief)***

**As stated above it is interpreted that Goldhaber discloses indirectly receiving of consumer POP’s (via online collection of purchase transaction records from many merchants) with the express consent and permission of the consumer (the consumer has control of her profile, including POP’s profile, and can delete/edit the POPs as desired before submitting to the consumer profile database). (see GOLDHABER at least col.6 lines 50-65: interactive user editing /deletion of transaction records from profile ).**

**However, if it is deemed receipt of third party purchase records directly from the buyers is required in the independent claims, then WEINBLATT adds the capability of directly submitting POP’s by the buyer’s scanning of store receipts. The proper motivation ,excerpted below, to combine WEINBLATT was discussed during prosecution (see Examiner’s Answer, pages 5-6 above):**

*“Weinblatt, discloses several data collection methods for marketers who desire to collect actual purchase histories. One is via a bar code reading apparatus, (col 1 l. 56+); another is*

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*via in- store computer systems (col 2, l. 13+), a third is via a home unit wherein proofs of purchases (POP's) are scanned by the consumer and the different purchase items categorized and used to trigger rewards (col 4 l. 59+). Weinblatt also discloses that people are interested to directly and voluntarily submit their POP's in exchange for rewards (col 4 l. 59+).*

*As discussed above, GOLDHABER discloses , through his system, the benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers. GOLDHABER further discloses "POP's" are valuable for advertisers who have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER . 's invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).*

*It would have been obvious to one of ordinary skill in the art, at invention time, to add WEINBLATT's teaching of directly submitting POP's by scanning into a home unit to GOLDHABER's system of voluntary submission of profiles including POP's profiles, because the consumer would be interested in obtaining highly competitive offers based on POP's ( a kind of reward or benefit), as taught by GOLDHABER. Further, it would have been obvious to one of ordinary skill in the art at invention time to incorporate the WEINBLATT's POP's submission method into GOLDHABER's system in view of WEINBLATT's teaching that this is another and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36). "*

At pages 21-22 of the Brief, Appellants challenge the application of Weinblatt to Goldhaber, however these challenges have already been addressed during prosecution (see Examiner's Answer, pages 19-20 above) and excerpted below. Emphasis in bold is added to the main disclosures and motivation.

*"As to the argument at page 65, 1st full paragraph regarding Weinblatt and how the issuer of the POPs in Weinblatt has to be cooperate , it is noted that the Weinblatt teachings relied upon by the Examiner, are that WEINBLATT discloses several data collection methods for marketers who desire to collect actual purchase histories. One is via a bar code reading apparatus, (col 1 l. 56+); another is via in- store computer systems (col 2, l. 13+), a third is via a home unit wherein proofs of purchases (POP's) are scanned by the consumer. Weinblatt also discloses that people are interested to directly and voluntarily submit their POP's in exchange for rewards (col 4 l. 59+).*

*The Examiner stated earlier at page 8 Office Action dated 12/11/2003:*

*"As discussed above, GOLDHABER discloses, through his system, the benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers. GOLDHABER further discloses "POP's" are valuable for advertisers who have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER .'s invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).*

*It would have been obvious to one of ordinary skill in the art, at invention time, to add WEINBLATT's teaching of directly submitting POP's by scanning into a home unit to GOLDHABER's system of voluntary submission of profiles including POP's profiles, because the consumer would be interested in obtaining highly competitive offers based on POP's ( a kind of reward or benefit), as taught by GOLDHABER. Further, it would have been obvious to one of ordinary skill in the art at invention time to incorporate the WEINBLATT's POP's submission method into GOLDHABER's system in view of WEINBLATT's teaching that this is another and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36)."*

*Thus the machinery used in WEINBLATT to produce the POPs' to be scanned by the user is irrelevant. Applicants are well-aware of the ubiquity of scanners. The idea of scanning POP's as an active act of the consumer for rewards , in Weinblatt is what the Examiner relied on in the previous rejection. Once a POP is obtained from any merchant [this is taught by Weinblatt], with scanners readily available, the consumer can voluntarily submit them to a system as in Goldhaber for the motivations as stated above. No active cooperation from the merchants issuing the POP's is needed as argued. "*

**E. Challenges to motivation to combine Goldhaber and Weinblatt (See Brief, page 23 , 3<sup>rd</sup> full paragraph).**

*It is argued "it takes a leap of faith to go from the standard recordation of a store or system's own records, as disclosed in both Goldhaber and Weinblatt, to the concept of allowing advertisers to access the sales records of direct competitors, which have been provided by or with the assistance of consumers for purpose of proving their attractiveness as potential prospects. As stated in the specification, such competitive transaction records would not be made available by a merchant to his direct competition to allow competitors to target/poach its customers, and can therefore only come from the buyer entity or through his instruction and permission. "*

**Contrary to argument, as stated above, GOLDHABER does disclose consumers submitting (at least indirectly) purchase records for profiling purposes (see at least col 6 l. 50-65: "purchase of certain products" ; " delete ...transaction records" ; "transaction history") and Goldhaber is a system open to competitors.**

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As noted during prosecution, GOLDHABER is a buyer-driven system ( i.e. consumer owns the profiles : col 14 l. 56-60; col 6 l. 28-35; consumer shares these profiles as desired (col 8 l. 40-57), for benefits or expectation of some, via trading brokers : (see at least col 8 l. 40-57), all this for the benefit of both consumers and advertisers ( col 4 l. 25-31) ).

It is noted that GOLDHABER 's buyer-driven system provides exactly the tools to achieve Appellants' invention purpose as stated at paragraph [0152] of the Published version of the Specifications ( PG-Pub # 20020052782) : *"This is important for the present invention, for the reasons mentioned previously: the buying entity has physical access to their purchase records online and can--thru the use of buyer-driven targeting--use this information to its advantage in its dealings with competing businesses: it can do so, without the consent of the companies which sold the products.... Whatever technology is used to provide the purchase statements, the common denominator of the various ways for receipt of a buyer's purchase history is that this process is done on the initiative and with the consent of the buying entity and in exchange for an incentive or the expectation of an incentive or a benefit."*

As stated above, GOLDHABER discloses at least indirect submission of third party records. As stated earlier, it is known advertisers desire actual purchase histories so to provide competing offers ( see discussions of Goldhaber's disclosures on this point; of Day's regarding collection of purchase records in mail orders as well as in-store; WEINBLATT's teaching of collecting actual purchase histories. via a bar code reading apparatus, (col 1 l. 56+); via in- store computer systems (col 2, l. 13+), via scanning POP receipts at a home unit ).

It is thus obvious advertisers desire as detailed POP's as possible in order to fine tune their targeting. To this end it does not take a leap of faith at all to ask consumers to submit directly their POP's. Goldhaber already discloses such direct participation of the customers in submitting their POP's to the profile database by editing/deleting POP's collected on them. If another means is available to gather more POP's, the advertisers would avail themselves thereof. Such an efficient and inexpensive means is taught by Weinblatt: scanning POP's receipts. It would have been obvious to one skilled in the art at the time the

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invention was made to add Weinblatt to Goldhaber to have another way of collecting POP's to benefit at least advertisers as taught by GOLDHABER.

**Thus Appellants' attack on the motivation to combine GOLDHABER and WEINBLATT as a "generic" motivation (Brief, page 23) is in error since both references suggest the desirability of the combination as shown above.**

In response to the arguments at pages 22-23 of the Brief, against WEINBLATT, it is noted that "[d]isclosed examples and preferred embodiments do not constitute a teaching away from a broader disclosure or non-preferred embodiments. *In re Susi*, 169 USPQ 423 (CCPA 1971). Thus the preferred embodiments of WEINBLATT cited by Appellants do not deflect from its broader disclosure, not incompatible with GOLDHABER's, that directly submitting POP's by scanning into a home unit is another and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36).

At page 22, last 2 full paragraphs to page 23 of the Brief, Appellants seem to argue that because Weinblatt has a different purpose than the Appellants' invention applying WEINBLATT as prior art is inappropriate. However, "[t]he use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain." *In re Heck*, 216 USPQ 1038 (Fed. Cir. 1983) "A reference may be relied upon for all that it would have reasonably suggested to one having ordinary skill in the art, including non-preferred embodiments." *Merck & Co. Inc. v. Aircraft Laboratories Inc.*, 10 USPQ2d 1843 (CA FC 1989)

Rejections may be based on prior art teachings phrased in terms of a non-preferred embodiment or as being unsatisfactory for the intended purpose. *In re Boe*, 148 USPQ 507 (CCPA 1966).

It is noted "[law]of obviousness does not require that references be combined for reasons contemplated by inventor, but only looks to whether some motivation or suggestion to combine references is provided by prior art taken as whole. "*In re Beattie*, 24 USPQ2d 1040 (CA FC 1992). Such adequate motivation is provided as set forth above.

**Thus, to summarize , as to claim 1 and its parallels, and the independent claims as cited above, Goldhaber discloses the receiving of third party POP's step (at least indirect receiving) and Goldhaber combined with Weinblatt discloses direct receiving of POP's .**

**Goldhaber also discloses the decision step and the offering of incentives step. Day further discloses preferential incentives.**

**Motivations to combine these references are appropriate and sufficient as discussed above. Contrary to argument , the alleged synergies of the instant invention are not a requirement for a finding of nonobviousness under 35 USC 103(a) .**

**F. Declarations submitted under 37 CFR 1.132.**

**The examiner has given full weight to the declarations but is not convinced as explained during prosecution (see Examiner's Answer, pages 16-17 above). As stated earlier, it is emphasized that the full scope or breadth of the claim language, (especially considering all the alternatives in the claims) is not covered by the affidavits. The Affidavits seem to track the problem solved and arguably a preferred embodiment instead of the broad claim language.**

**G. Challenges to Official Notices:**

MPEP 2144.03 c) states:

*“To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241.*

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*If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, ...the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or..the traverse was inadequate."*

In this Brief, Appellants challenge Official Notices at several occasions (See Brief, page 38, last full paragraph; page 39, 1st full paragraph; page 39, last full paragraph; page 42, 1st full paragraph)

without stating why the noticed fact is not considered to be common knowledge or well-known in the art as required by MPEP 2144.03. At all such occasions, Appellants have not met the requirement for challenge as set forth above. The challenges are thus inadequate and the statements are taken as admitted prior art.

**H. Challenges to the dependent claims:**

**Claim 10 and 100.**

Contrary to argument, motivation is asserted (see Examiner's Answer, page 9 above)

**Claim 11 and 101.**

Contrary to argument, the "referral quality:" is not claimed and references do not have to be combined for the same purpose as inventors'.

**Claims 12 and 102**

The added categorization feature with the submission of third party purchase records by buyer entities is discussed and motivation to combine these features has been offered by the Examiner (see 05/20/2005 Office Action, page 15 , 1<sup>st</sup> full paragraph).

**Claims 13 and 103**

The added scoring feature with the submission of third party purchase records by buyer entities is discussed and motivation to combine these features has been offered by the Examiner (see 05/20/2005 Office Action, page 15 , 2nd full paragraph).

**Claims 47 and 137**

The elements of obtaining and storing acceptance information with the provision of third party purchase records by buyer entities is discussed and motivation to combine these features has been offered by the Examiner (see 05/20/2005 Office Action, page 15 , 3rd full paragraph).

**Claims 48 and 138 and Claims 49 and 139**

The additional limitations are disclosed by Day. In addition to the discussion and the motivation to combine presented above (and/or in the 05/20/2005 Office Action, page 16 , first 2 full paragraphs), it is noted that *Day also discloses:*

*deriving at least one score for each of a first plurality of buyer entities (see at least col.4 lines 18-31, "targeting parameter" is interpreted as a score), wherein the at least one score: is calculated/updated based on at least one of an entry of a (new) purchase record,*

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*(see at least col.7 line 66- col. 8 line 37: Day's disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated or recalculated so that offers may be modified based on the new data.)*

Further Day discloses .. *"the at least one score being updated based on at least three of an entry of a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases"* (see at least col.7 line 66- col. 8 line 30: Day's disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data. Further the monitored redemption of offers constitutes all 3 types of data :a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases).

#### **Claim 51 and 141**

(see 05/20/2005 Office Action, page 16 , full 3<sup>rd</sup> paragraph) Goldhaber discloses at least advertising and incentives delivered via internet and various equipment to access the internet (C21 11-19) thus Goldhaber reads on distribution of an incentive via a plurality of distribution channels. No motivation is needed since Goldhaber discloses this limitation and is the base reference.

#### **Claims 52 and 142**

No motivation is needed since Goldhaber discloses this limitation and is the base reference.

As discussed earlier, Goldhaber discloses buyer- indirectly submitted third party purchase records, and other buyer-controlled mechanisms for adding data, contrary to argument. (see 05/20/2005 Office Action, page 16 , last full paragraph)

*“Claim 52. GOLDHABER discloses receiving information that one of the buyer entities visited a predetermined web site (complementing the profile by allowing tracking on-line behavior including on-line transactions and viewing habits : col 6 l. 50-65; C 7 l. 28-33; col 13-20). As to recalculating one of the scores of said one of the buyer entities to increase the score based on this visit, a score is interpreted as a targeting parameter. Since GOLDHABER teaches targeting based on updated profiles, based on in part on website visited, GOLDHABER is interpreted as implicitly teaching recalculating a score based on the updated data to improve targeting. “*

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#### **Claims 64 and 154**

No motivation is needed since Goldhaber discloses this limitation and is the base reference. The relevant additional features have been discussed (05/20/2005 Office Action, page 17, full 1<sup>st</sup> paragraph).

*“GOLDHABER discloses submitting a request to one of said buyer entities to provide a rating of a product or service only if the purchase record of the buyer entity shows a purchase of the product or service to be rated (rating of presented ads : col. 13 l. 50-51) “*

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#### **Dependent Claims 208, 260 and 309**

Claim 208 specifies that buyer entity purchase records must be received on the initiative and consent of buyer entities. Buyer entities must make a conscious and deliberate decision in

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submitting purchase record information. As previously discussed with respect to claim 1, this limitation is disclosed in Goldhaber.

**Dependent Claims 209, 261, 310 and 210, 262, 311**

Claim 209 and 210 specify that the submission of purchase records must "compris[e] data associated with the purchase of products or services for which the payment was not carried out by the system." As previously discussed, this limitation, the requirement that the system has not completed the payment to the merchant at the time of receipt of the purchase record, or information derived therefrom, is disclosed in Goldhaber.

**Dependent Claims 211, 263, 312 and 212, 264, 313 and 213, 265, 314**

Claims 211, 212, 213 add the limitation that the advertiser must be independent in its day to day operations: "whereon said manufacture, marketing, distribution, point of sale payment or provision of the product or service is not carried out by the system in the ordinary course of business". Submission of third party purchase records as well as independent advertisers are present in Goldhaber. No motivation needs then be cited.

**Dependent Claims 214, 266, 315 and 215, 267, 316 and 216, 268, 317**

Claims 214 to 217 add the limitation relating to the exclusive and discriminatory nature of the preferential incentives. This feature is disclosed in Day as explained in the discussion of claim 1. Motivation to combine has been asserted when discussing claim 1.

**Dependent Claims 218, 270, 319 and 219, 271, 320 and 220, 272, 321 and 221, 273, 322 and 222, 274, 323**

Claims 218 to 222 specify that the decision regarding the offering of the incentive is based on the buyer entity's purchases with others: "based at least in part on stored information associated with the data relating to a purchase made by said buyer entity with a merchant other than the third party advertiser that is associated with the incentive", said data having been obtained from buyer-submitted purchase records. This feature is disclosed in Goldhaber as explained in the discussion of claim 1. No motivation to combine is needed for this claim.

**Dependent Claims 223, 275, 324 and 224, 276, 325 and 225, 277, 326 and 226, 278, 327 and 227, 279, 328 and 228, 280, 329**

All the pertinent limitations are disclosed by the combination as applied and motivation to combine is as discussed with respect to the independent claims.

**Claims 229, 281, 330**

This claim adds limitations relating to a forward-looking process as follows: "*determining a function and budget-related limit associated with at least one of the incentives based in part on information received from a forward-participating-advertiser, receiving newly-submitted purchase records of the buyer entities with the condition precedent that the function and budget-related limit has been determined; automatically and electronically making a new decision associated with the offering, said new decision being based at least in part on the function, the budget limit, and the newly-submitted purchase records; distributing the incentive based at least in part on the new decision; and halting the distributing when the budget-related limit is met*"

As stated during prosecution, as to these claims, GOLDHABER does not specifically disclose but Day discloses obtaining additional information on whether the buyer entity made a

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follow-up purchase or a co-purchase contemporaneous with or after accepting the incentive and inputting the additional information to be stored (monitoring of redemption of offers, and updating of profiles (Col. 14 l. 52-64, Fig 12-14; claims 15, 22). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber is to determine the effect of the special offers on consumer buying behaviors and adjust offers accordingly as taught by Day.

It is argued GOLDHABER does not specifically disclose a forward-looking process that reacts and automatically and electronically makes a new decision regarding the offering. It is agreed GOLDHABER does not so disclose.

However, contrary to argument, in addition to the features disclosed as discussed above, Day discloses means (the computer system 10 of Figure 1) to automatically increase the offer (obviously a new decision is thereby made) based on the reaction of the buyer to the initial offer (col. 7 line 66 to col. 8 line 15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber to determine the effect of the special offers on consumer buying behaviors and adjust offers accordingly to achieve the desired results as taught by Day (e.g. col.8 lines 9-12: luring a loyal customer of a competitor by increasing the incentive if the customer did not respond to the initial offer).

Further it is irrelevant that the claimed process is called forward-looking since it does not do any more than what Day discloses.

It is also argued, GOLDHABER does not disclose entry of third party purchase records into a consumer database. As discussed at length above, GOLDHABER certainly does so disclose. Contrary to argument, GOLDHABER's involves not only profiling through questionnaires and only tracking only, but specifically discloses, as discussed above, consumers

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actively deleting/editing online purchase records before allowing particular data only to enter the database for profiling purposes.

Further, Day surely disclose purchase records that are captured by the POS systems. Since in Day, competing manufacturers can use records of purchases of other manufacturers, clearly these records are “third party purchase records”.

Contrary to argument, Day further discloses the distribution priority is determined based on at least one of a date, a time, the budget limit, and previous buyer entity responses (see at least col. 14 lines 52-56; col. 6 lines 57-60). Day does not directly disclose the distribution limit being a monetary budget limit. However it is obvious behind a coupon distribution limit is a monetary coupon expenses limit justifying the quantity limit. Thus it would have been obvious to one skilled in the art at the time the invention was made to add a monetary limit to the distribution limit as a logical derivative of the Day’s disclosure.

Contrary to argument, that Day does not disclose use of an incentive function, Day discloses the following which is more than required by the instant claims:

**Summary of Day:**

Day discloses presenting specialized benefits based on actual purchasing behavior information (abstract). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers (col. 1 l. 50-55; col.2 l. 13-15; col. 2 l. 12+). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal ( col. 1 l. 60-col.2 l. 2).

Thus Day discloses:

Thus at least Day discloses:

A computer-implemented advertising method, comprising:

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1) identifying a distribution limit (see at least col. 14 lines 52-56, col. 6 lines 57-60: “maximum limit”)and,

2) a different incentive function (see at least col.4 lines 18-31, use of “targeting parameters” to derive an incentive implies use of an certain incentive function or relationship to link the parameter to the incentive) associated with each of a plurality of advertisers;

3) deriving at least one score for each of a first plurality of buyer entities (see at least col.4 lines 18-31, “targeting parameter” is interpreted as a score),wherein the at least one score: is calculated/updated based on at least one of an entry of a (new) purchase record, (see at least col.7 line 66- col. 8 line 37: Day’s disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data.)

4) for each of a second plurality of the buyer entities, selecting a plurality of incentives, with each of the incentives associated with at least one different advertiser, based on the at least one score and the incentive function (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60),

wherein the selecting of each of the incentives includes determining an amount of the incentive level (interpreted as an incentive amount) based at least in part on the incentive function (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60), associated with the advertiser who is associated with the incentive;

5) determining a particular distribution priority associated with each of the incentives for each of the buyer entities based at least in part on the at least one score (see at least col. 14

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lines 52-56; col. 6 lines 57-60: when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changed) and

6) distributing a plurality of the incentives (see at least Figure 1, item 24 and associated text; col. 4 line 66+), with each incentive distributed based on its associated distribution priority for the buyer entity (see at least col. 14 lines 52-56; col. 6 lines 57-60: when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changes).

- Further contrary to argument, Goldhaber discloses receiving third party purchase records, Day does not need to.

Motivation to combine the limitations of claim 229 are the same as asserted in the independent claims.

#### **Claims 230, 282, 331**

As to these claims, Day discloses a user interface whereby advertisers get access to the database of potential customers and their POPs', whereby the advertisers input target parameters and incentive functions (audience, incentive-definition information and parameters) and based on which the offers determining is made (see at least col. 4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60). These disclosures read on the added limitations relating to an interactive campaign management for advertisers. Appellants cannot explain why they don't. As discussed above, Day at least suggest an ad budget, i.e. ad campaigns are involved in Day. Day also at least discloses interactive control of incentive functions i.e. interactive campaign management by advertisers,

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The motivation to combine has been asserted in the independent claims and another motivation to add this limitation is to allow advertisers to select which consumers to obtain discounts and how big a discount (Day, col. 3 lines 23-24 ).

**Claims 232, 284, 333**

As discussed in claims 10 and 47, as to claims 232, 284, 333, Day discloses obtaining acceptance information on whether one of the buyer entities accepted the incentive; and storing the acceptance information to the database (monitoring of redemption of offers and modifying offers based on that ( C7 l.66- c8 l 30) . It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber is to provide better incentives to induce sales in case the consumer refuses the initial offers as taught by Day at col. 8 l. 6+.

Further as stated during prosecution, as to claims 232-233, 284-285, 333-334, Day discloses monitoring follow-up purchases made after the offer of an incentive , then tender of further incentives based thereon (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60).

**Claims 233, 285, 334:**

All the arguments as to these claims (See Brief, pages 37-38 , full paragraph) argued that which is not specifically claimed. Further as stated during prosecution, as to claims 232-233, 284-285, 333-334, Day discloses monitoring follow-up purchases made after the offer of an incentive , then tender of further incentives based thereon (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60).

And as stated earlier law of unobviousness does not require a combination of prior art for the same purpose( s ) contemplated by the inventor.

**Claims 234, 286, 335**

As stated during prosecution, as to claims 234, 286, 335, Official Notice is taken that it is well known to present in concrete terms the value of any offer to convince the offeree of such value. Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to calculate a measure indicative of the amount of benefits to the buyer and present it and add such to the base references for the above-discussed advantage. Traversal of the Official Notice is defective for the reasons stated earlier.

**Claims 235, 287, 336**

As stated during prosecution, as to claims 235, 287, 336, Official Notice is taken that presenting offers to users of wireless devices based on their location to reach potential customers proximal to the businesses is known. Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to such feature to the base references for the above-discussed advantage.

Traversal of the Official Notice is defective for the reasons stated earlier.

**Claims 236, 288, 337**

As stated during prosecution, as to claims 236, 288, 337, WEINBLATT discloses manual input by the user of POP's and offering incentives based thereon .

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Contrary to argument, "manual input" even in the Computer Arts, comprises feeding a purchase record into a machine, as described in Weinblatt. The broadest reasonable interpretation rule applies. Motivation to combine has been cited in discussing claim 1.

**Claims 237, 289, 338**

As stated during prosecution, as to claims 237-238, 289-290, 338, **GOLDHABER** discloses receiving browsing behavior and demographic information and deciding thereupon.

No motivation is needed since Goldhaber discloses and is the base reference.

**Claim 246, 298, 347**

As stated during prosecution, as to claims 246, 298, 347, Day discloses differential targeted offers meaning each offer has a different value per customer. Official Notice is taken that it is well known that prices of incentives offers have to be calculated to apprise businesses of their promotions costs. Thus, as offers are based on information stored on the user, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add calculating a price for such differentiated offers, (which would be also based on information stored on the user), to the base references, for the above-discussed advantage.

Traversal of the Official Notice is defective for the reasons stated earlier.

**Claims 250, 302, 351**

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As stated during prosecution, as to claim 250, 302, 351, GOLDHABER discloses sending information associated with the user to third party after receipt of authorization from the buyer (see at least col. 8 lines 16-18)

No motivation is needed since Goldhaber discloses and is the base reference.

**I. CLAIMS 68 AND 158 ARE REJECTED UNDER 35 USC 103(A) AS BEING UNPATENTABLE OVER GOLDHABER IN VIEW OF WEINBLATT AND DAY AND FURTHER IN VIEW OF DEDRICH, US 5717923 (hereafter referred to as Dedrich).**

It was stated during prosecution,

*“As to claim 68, calculating a charge for providing the incentive based on both the size of the group of buyer entities resulting from the search and the scores of the buyer entities, GOLDHABER discloses at C5 l. 21-30, demographic routing; at C8 l. 59-61 charging advertisers; at col 14 l. 30-46: matching of consumers to advertiser’s criteria.*

*Dedrich discloses calculating a fee based on the scores of the buyers who were provided the incentive (col 5 l. 20-30, “consumer scale”; Fig 7b, especially item 218, and associated text.).*

*Thus claim 68 regarding charging for providing the incentive to the targeted group is rejected on this basis.*

*Thus it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the teachings of Dedrich to Goldhaber in order to provide a rational basis for charging advertisers.*

*Apparatus Claim 158, which parallels method claim 68 is rejected on the same basis.”*

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Contrary to argument, GOLDHABER , WEINBLATT or Day do not but Dedrich discloses calculating price for offering the incentive based on information stored about the buyer.

Indeed, in Dedrich consumers with a desired certain profile gets higher credits (higher “pricing hierarchy”) for watching advertisements. ( col. 11 line 45-61). Conversely advertisers are billed (see Figures 4, and 7b item 218 and associated text; col.11 lines 62- col. 12 line 6) at the higher “pricing hierarchy” based on the target user profiles desired, requested , provided and who actually consumed the ads/incentives( see e.. col. 12 lines 6-34 ).

Thus, for a particular ad to be delivered, based on the particular audience, Dedrich’s system implicitly calculates a price for the ad, thus Dedrich reads on the above limitation of claim 68 .

It would have been obvious to one skilled in the art at the time the invention was made to add Dedrich to Goldhaber and Weinblatt to allow charging the advertisers appropriately based on a price hierarchy that takes into account the value of the target user to the advertiser, as taught by Dedrich.“(col. 11 line 45-61).

Thus Goldhaber, in view of Weinblatt, Day, and Dedrich, properly disclose claim 68.

**J. CLAIMS 206,231,252-254,256-258,304-306,308-310,353-355,357-359 ARE REJECTED UNDER 35 USC 103(A) AS BEING UNPATENTABLE OVER GOLDHABER IN VIEW OF WEINBLATT AND DAY AND FURTHER IN VIEW OF ADMITTED PRIOR ART**

**Claim 206**

Contrary to argument, all the relevant additional limitations have been addressed (see Office Action page 20).

*“As to claims 206, 231, 252-254, 256-258, 304-306, 308-310, 353-355, 357-359,*

*The features of these claims common to the claims addressed above are rejected on the same basis.*

*Further, technology for customers to aggregate their POP's is admittedly known as an efficient way of gathering in one place one's transaction data (specifications paragraph [0152]: “ Technology for such online retrieval and scanning of data from various accounts already exists”) . Expressing consent by giving out passwords and usernames for a website to use one's account information is taught by GOLDHABER (complementing the profile by allowing tracking on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; cols. 13-20; col 8 l 40-53: sharing of consumption content between private home pages and public pages with password access or digital ID verification restrictions). Thus one would have known to add this technology and the corresponding authorizing features as another efficient way of submitting purchase histories because of the admitted efficiency of this method of gathering data.”*

Contrary to argument, Goldhaber discloses deletion of buyer entity information and allowing users to (at least indirectly) submit purchase records while still retaining control over the information emanating from them. (see GOLDHABER at least col.6 lines 50-65: interactive user editing /deletion of transaction records from profile ).

No motivation is needed since Goldhaber discloses this limitation and is the base reference.

**Claims 231, 283, 332**

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Contrary to argument, the claim limitations actually do not claim 3P financial accounts only “web based online accounts”. The limitations are broad enough that Goldhaber features of “[e]xpressing consent by giving out passwords and usernames for a website to use one’s account information .. (complementing the profile by allowing tracking on-line behavior including on-line transactions (POP’s) (col 6 l. 50-65; cols. 13-20; col 8 l 40-53: sharing of consumption content between private home pages and public pages with password access or digital ID verification restrictions)” fairly suggests the claim limitations as expressed during prosecution.

*“As to claims 206, 231, 252-254, 256-258, 304-306, 308-310, 353-355, 357-359,*

*The features of these claims common to the claims addressed above are rejected on the same basis.*

*Further, technology for customers to aggregate their POP’s is admittedly known as an efficient way of gathering in one place one’s transaction data (specifications paragraph [0152]: “ Technology for such online retrieval and scanning of data from various accounts already exists”) . Expressing consent by giving out passwords and usernames for a website to use one’s account information is taught by GOLDHABER (complementing the profile by allowing tracking on-line behavior including on-line transactions (POP’s) (col 6 l. 50-65; cols. 13-20; col 8 l 40-53: sharing of consumption content between private home pages and public pages with password access or digital ID verification restrictions). Thus one would have known to add this technology and the corresponding authorizing features as another efficient way of submitting purchase histories because of the admitted efficiency of this method of gathering data. ”*

No motivation is needed since Goldhaber discloses this limitation and is the base reference.

#### **Claims 252, 304, 353**

Contrary to argument, all the relevant additional limitations have been addressed (see Office Action page 20).

“Further, as to claims 252,304, 353, as to obtaining permission to obtain supplemental data about the user from a third party broker, receiving such (see above) , and as to the incentive offered is on improved terms based in part on the additional information, Day discloses monitoring responses to offers and modifying the next offers accordingly. “

As discussed earlier, Goldhaber already discloses allowing users to consent to the system's purchase of data from third party data brokers and Goldhaber also discloses providing buyer entities with the capability to augment their profiles see GOLDHABER at least col.6 lines 50-65: interactive user editing /deletion of transaction records from profile ). Applicants' statement of purpose" to better their incentives" is not actually a limitation that needs to be met.

The referenced Day disclosure , monitoring responses to offers and modifying the next offers accordingly, actually makes the incentives better with updated POP's, as claimed. The motivation to combine Day would be the same as stated in the independent claims. But Day is not even needed to meet this claim. No motivation would then be needed since Goldhaber discloses this limitation and is the base reference.

#### **Claims 253,305,354**

The challenge to the Official Notice is defective as noted above. Further Walker, regarding loyalty programs, had been provided earlier during the prosecution (first few office actions) to support such well-known fact . Small advertisers are disclosed in Goldhaber.

The following rejection properly address all additional limitations that are additional to those already discussed when discussing *claims 206, 252 and their parallels*". (see *Office Action page 21* ).

*“Further, as to claims 252,304, 353, as to obtaining permission to obtain supplemental data about the user from a third party broker, receiving such (see above) , and as to the incentive offered is on improved terms based in part on the additional information, Day discloses monitoring responses to offers and modifying the next offers accordingly.”*

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The motivation to combine has already been addressed in discussing the independent claims.

**Claims 254, 306, 355**

Goldhaber already discloses most of the limitations of this claim, which allows a buyer entity to authorize the transfer of its purchase histories from multiple merchants to the system. No motivation to combine is further needed.

**Claims 256, 308, 357 and 257, 309, 358 and 258, 320 and 359**

These claims combine some or all of the previously discussed limitations of claims 229, 230 and 231, and therefore give rise to the same previously discussed deficiencies. Specifically, claim 256 combines the elements of claims 230 and 231. Claim 256 combines the elements of claims 229 and 231. Claim 258 combines the elements of claims 229, 230 and 231. No motivation to combine is further needed as Goldhaber discloses most of these features or the motivation to combine is the same and has been discussed in the independent claims.

**K. Conclusion**

As noted during prosecution, the combination of Goldhaber/Weinblatt/Day disclose all of the following main features of Appellants' invention:

1.a transfer of transaction records or information derived from transaction records (herein after the "Proofs of purchases" or POP's) into the system from outside the system (Element #1, so identified earlier by Appellants): Goldhaber

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2. the information comes indirectly (Goldhaber) or directly (Goldhaber and Weinblatt) from the buyer entity (element #2)

3. the information comprises "third party purchase records " ("element #3") : Goldhaber

4. the incentive that is being offered promotes the product of a third party with a distinct business activity. ("element #4"): at least the "merchants" in GOLDHABER are different from the POP merchants. Day also suggest the same.

5. the buyer entity, which is the provider of the above mentioned transaction records, must be provided with at least one from a plurality of necessarily "contingent preferential" incentives... ("element #5"): Day (preferential incentives) and well-known facts (incentives and benefits are usually contingent on some condition such as purchases)

6. the incentive for the advertiser's product or service is offered to the buyer entity, "without transferring to said third party advertiser directly or indirectly any full name associated with said buyer entity at the time that the incentive is offered but has not yet been responded to by said buyer entity." ("element #6"): Goldhaber's privacy concerns.

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**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

*KHL*

**Khanh H. Le**

July 10, 2006

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